DOCUMENT RESUME

ED 207 755 RC 012 929

AUTHOR Banks, Vera J.; Kalbacher, Judith Z.
TITLE Farm Income Recipients and Their Families: A Socioeconomic Profile. Rural Development Research Report No. 30.
INSTITUTION Economic Research Service (DOA), Washington, D.C. Economic Development Div.
PUB DATE Sep 81
NOTE 32p.

EDRS PRICE MF01/PC02 Plus Postage.
DESCRIPTORS Age Differences; Blacks; Educational Attainment; Educational Status Comparison; Elementary Secondary Education; Ethnic Groups; *Family Characteristics; *Family Income; *Farmers; Geographic Distribution; Multiple Employment; Population Distribution; *Profiles; *Rural Farm Residents; Sex Differences; *Socioeconomic Background; Spanish Americans; Tables (Data); Whites
IDENTIFIERS *Self Employment

ABSTRACT

Special tabulation of the March 1976 Current Population Survey provided data on income sources, geographic distribution, and social (age, sex, race, education), family, and employment characteristics of farm income recipients. Of the 3.1 million persons and 2.6 million families receiving some farm self-employment income in 1975, a larger proportion lived in nonmetropolitan (74%) than metropolitan areas and in the combined North and West (61%) than the South. Compared with the general population, recipients were more likely to be white, male, and older. Their families were more likely to be the husband-wife type, but less likely to have a family member under 18 years of age. In 1976 the median number of school years attended by farm income recipients was 12 years, close to the national median of 12.3. Only about 15% of all farm income people had total income derived from farming. Median total personal income for persons with some farm self-employment income in 1975 was $8,219. Median income increased to $11,136 for those with additional nonfarm wage income. As the majority of farm income recipients also had income from additional sources (wages, investments, social security, retirement, welfare), little relationship existed between the level of farm income and total income. (NEC)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED207755
RC 012929

United States
Department of
Agriculture

Economic
Research
Service

Rural Development
Research Report
Number 30

Farm Income Recipients and Their Families

A Socioeconomic Profile

Vera J. Banks
Judith Z. Kalbacher

SEP 1981
ERIC / CRESS
RECEIVED

U.S. DEPARTMENT OF EDUCATION
NATIONAL INSTITUTE OF EDUCATION
EDUCATIONAL RESOURCES INFORMATION
CENTER (ERIC)

[✓] This document has been reproduced as received from the person or organization originating it.
[ ] Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official NIE position or policy.

Farm Income Recipients and Their Families: A Socioeconomic Profile.
By Vera J. Banks and Judith Z. Kalbacher, Economic Development Division, Economic Research Service, U.S. Department of Agriculture. Rural Development Research Report No. 30.

Abstract

Of the 3.1 million persons and 2.6 million families who received farm self-employment income in 1975, a larger proportion lived in nonmetropolitan than metropolitan areas and in the combined North and West than the South. Compared with the general population, recipients were more likely to be White, male, and older, and their families of the husband-wife type. Most recipients were primarily employed in agriculture, but 44 percent indicated primary employment in nonagricultural industries. The majority of farm income recipients also had income from additional sources, thus little relationship was evidenced between the level of farm income and total income.

Keywords: Farm self-employment income recipiency, geographic distribution, age, sex, race, education, family characteristics, employment.

Note: This report was prepared by the Economic Research Service, formerly part of the Economics and Statistics Service, U.S. Department of Agriculture.

Acknowledgments

The authors recognize Calvin L. Beale, Diana DeAre, and Robert A. Hoppe for their constructive reviews; Helen Curtis, Anna Lane, and Deborah Tillman for their statistical assistance; and Betty Hines for assistance in preparing this report.

Washington, D.C. 20250 September 1981

Contents

	Page
Summary	v
Introduction	1
Income	2
Farm Income Recipiency	2
Sources of Income	2
Geographic Distribution	6
Social Characteristics	7
Age	7
Sex	10
Race and Spanish Origin	11
Education	12
Family Characteristics	12
Employment Characteristics	16
Conclusions	20
Bibliography	21
Definitions and Explanations	22

Summary

The numbers of farms and farmpeople have declined steadily over the past several decades, but there were still 3.1 million people reporting some farm self-employment income, according to the latest detailed data available on this agricultural population. Adding all family members to this group gives a total of 9.1 million people directly benefiting from such farm-generated income.

This study, based on a special tabulation of the March 1976 Current Population Survey, gives a more detailed analysis than was previously available of the socioeconomic and demographic characteristics of these farm income recipients and their families. Although this group has declined in number since the 1976 survey, the basic characteristics reported in this study remain substantially unaltered today.

Recipients of farm self-employment income were more likely to be White, male, and older than the general population. Their families were more likely to be the husband-wife type but less likely than their nonfarm counterparts to have a family member under 18 years of age. Although farm income families were about average in size, they were more likely to have three or more earners than all other families.

Most persons receiving farm self-employment income also had income from a variety of nonfarm sources. Thus, there was little relationship between the level of farm income and total income. Wage and salary earnings were the most frequently reported additional source, but many reported income from sources such as property and interest, social security, and retirement. Very few reported income from welfare payments.

Farm self-employment income recipients were mainly employed as farm operators or farm managers. Those who had primary off-farm jobs were most often wage and salary workers in white- or blue-collar occupations. Agriculture was also the leading industrial classification followed by manufacturing, trade, professional services, and construction.

A fourth of all farm income people were in families that reported a farming loss in the previous year. However, this negative farm income was usually offset by income from nonfarm sources and these families often had median income levels as high as and sometimes higher than those reporting a low level of farm income.

Persons receiving farm self-employment income and their family members were disproportionately located in nonmetropolitan areas (74 percent) and in the combined Northern and Western States (61 percent).

Farm Income Recipients and Their Families: A Socioeconomic Profile

Vera J. Banks and
Judith Z. Kalbacher

Introduction

The numbers of farms and farmpeople have declined greatly over the past few decades, but farming as a business and a way of life is vital to the Nation's well-being. Information on people tied to farming remains in high demand by the various government agencies that provide services to such people, by researchers and planners who analyze the sometimes different social and economic characteristics of farmpeople, and by the public which may view the land and farming as somewhat sacred.

This study profiles farm income people, that is, persons and families receiving self-employment income from farming. Income from farm self-employment, the identifier of our study group, is net money income (gross receipts minus operating expenses) from the actual operation of a farm by an individual, as an owner, renter, or tenant (*18*).[1] Data were obtained from special tabulations of the March 1976 Current Population Survey to allow identification of these farm income people and a more detailed analysis than was previously possible. While similar tabulations for more recent years are not available, there is little doubt that the general characteristics indicated still exist.

People associated with agriculture may be identified by residence, occupation, or income (table 1). Unfortunately none of these is all inclusive and each may include persons with little or no ties to farming. The farm population, since first enumerated in the 1920 Census of Population, has been defined as people living on places identified as farms without regard to occupation or income. At that time, most people tied to farming lived on farms, and farm residence was equated with farming as a way of life. But progress changed the nature of farming and rural life, and the strong association between farm residence and farm work weakened. Even when the term "farm population" was conceptualized, there were some farm residents engaged in nonagricultural occupations and, conversely, some persons employed in agriculture who did not live on farms.

Rural life gradually became more diverse, especially after World War II, as technology reduced farming manpower requirements and freed farmworkers for expanding job opportunities elsewhere. There were also advances in farm production capabilities. In 1820, the average farmworker supplied enough farm products to feed four persons. In the next 100 years, this ratio doubled to eight persons per farmworker. Following World War II, the ratio took a sharp upswing and, by 1970, jumped to 47 persons per farmworker. In the late seventies, one farmworker supplied farm products for 68 people (*11*).

At the same time that farm employment levels dropped, rural areas began to experience significant increases in off-farm job opportunities. Today's rural residents, whether they live on farms or not, are more likely to be working in nonagricultural industries than in farming. But when employment

Table 1—Concepts of agriculturally related populations

Concept	Requirement	Major limitation
Farm residence	Live on farms	Includes many who have no economic tie to farming
Farm occupation	Work on farms	Based solely on primary occupations, excludes persons with secondary jobs on farms
Farm income	Income from farming	Includes many persons with marginal or little dependence on farming

[1]Italicized numbers in parentheses refer to items listed in the Bibliography section.

data were first collected (1820), three-fourths of the rural workforce were employed in agriculture (3). Since then, the proportion of farm operators working off their farms has risen steadily. Although by 1929 only 30 percent of all farm operators reported any off-farm work, by midcentury the proportion rose to nearly 40 percent, and by 1974, 55 percent reported some off-farm work (14). In the 1974 agricultural census, half of these operators stated that their off-farm income equaled or exceeded the value of farm product sales. The incidence of other farm family members working off the farm has also increased significantly. As a consequence, total nonfarm income today often exceeds income derived from farming.

Despite the changing environment within which farmpeople live, they still possess characteristics distinctive from those of their nonfarm counterparts. Conditions associated with persons tied to agriculture by residence or occupation are well documented in ongoing annual reports on the farm resident population and hired farm workforce, respectively (*20, 12, 13*). This analysis centers on the socioeconomic and demographic characteristics of farm income people, and when relevant, relates their characteristics to those of other farm and nonfarm groups.

Income

Farm self-employment income is examined here in terms of how much it contributes to total income, and whether differences in the degree of dependence on farming vary by location and characteristics of the recipients.

Farm Income Recipiency

In March 1976, there were 3.1 million people who had received some farm self-employment income in the previous year. These people, referred to here as farm income recipients, represented 2.6 million families and 268,000 unrelated individuals.[2] About 6 million family members were associated with the farm income recipients, yielding a total farm income population of 9.1 million.

We should note in comparing income levels that money income does not reflect the fact that many families receive part of their income in the form of nonmoney transfers such as food stamps, health benefits, and subsidized housing, and some receive nonmoney income in the form of rent-free housing and goods produced and consumed on the farm. Moreover, for many reasons respondents often underreport their incomes. This underreporting tends to be more pronounced for nonearnings income, such as social security, unemployment compensation, public assistance, and net income from interest, dividends, and rentals (*18*).

In measuring farm income and degree of dependence on farming, this study only includes net farm self-employment income; persons and families referred to are those reporting receipt of such income, mainly farm operators and their families. Excluded are persons and families with earnings from farm wage and salary jobs who did not have any farm self-employment income. The exact number of individuals and families with such qualifications is unknown, but in 1976 there were 2.8 million people who did some farm wage work during the year and about 400,000 families headed by farm laborers and supervisors (*10, 17*).

Sources of Income

Persons with some farm self-employment income, like many other employed people, have diverse sources of income. Of the 2.8 million people reporting complete income information, about 15 percent indicated farming as their sole income source and the remaining 85 percent reported income from a variety of sources (table 2). The greatest proportion of these also received wage and salary income; others had income from sources such as property and interest investments, social security, retirement, and welfare payments. An earlier study of income sources for farm families also found that wages and salaries were the most often reported additional source and made up the largest share of off-farm income (*8*).

The effects of additional income sources are evident in an examination of median income by source. For all persons with some farm self-employment income in 1975, the median income was $8,219 (table 3). The highest median—$11,136—occurred among persons who combined self-employment with wage and salary earnings.[3] Individuals who also received

[2] Future references to persons receiving farm self-employment income include these unrelated individuals.

[3] About 5 percent of this group of 405,000 recipients also had some nonfarm self-employment income.

Table 2—Source of income in 1975 for persons with some farm self-employment income, by residence, region, race, and sex[1]

Source of income	Number of persons								
	United States	Metropolitan	Nonmetropolitan	South	North and West	White	Black	Male	Female
	Thousands								
Total reporting[2]	2,832	700	2,132	1,112	1,720	2,727	81	2,482	350
Farm self-employment income only	436	88	349	166	270	415	16	377	59
Farm self-employment income and:									
Nonfarm self-employment income only	77	13	64	33	43	77	—	77	—
Wage and salary income only	384	91	293	191	193	355	27	361	24
Wage and salary and any other income sources	857	289	567	319	538	842	9	798	59
Other income sources only (excl. wages and salaries)	1,078	219	859	403	675	1,039	29	870	208
	Percent								
Total reporting[2]	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Farm self-employment income only	15.4	12.5	16.3	14.9	15.7	15.2	20.3	15.2	17.0
Farm self-employment income and:									
Nonfarm self-employment income only	2.7	1.8	3.0	3.0	2.5	2.8	—	3.1	—
Wage and salary income only	13.6	13.0	13.7	17.2	11.2	13.0	33.7	14.5	6.7
Wage and salary and any other income sources	30.3	41.3	26.6	28.7	31.3	30.9	11.0	32.2	16.8
Other income sources only (excl. wages and salaries)	38.1	31.2	40.3	36.2	39.2	38.1	35.1	35.0	59.5

— = Zero or a number which rounds to zero or a percent which rounds to less than 0.1.
[1] Persons as of March 1976.
[2] Excludes 234,000 people with incomplete income information.

Table 3—Median income by source in 1975 for persons with some farm self-employment income, by residence and region[1]

Source of income	Median total personal income				
	United States	Metropolitan	Nonmetropolitan	South	North and West
			Dollars		
All persons with some farm self-employment income	8,219	11,557	7,499	7,072	8,879
Persons with farm self-employment income and:					
Wage or salary and nonfarm self-employment income	11,136	14,321	9,875	10,161	11,853
Social security income	4,562	5,988	4,295	3,394	5,595
Public assistance and/or other welfare payments[2]	2,915	5,362	2,722	2,782	4,706
Investment income[3]	10,374	13,410	9,375	9,686	10,849
Pension income, including railroad retirement[4]	10,628	11,469	10,378	11,683	9,217

[1] Persons as of March 1976.
[2] Includes Federal, State, and local government supplemental security income, Aid to Dependen. Children, and public assistance recipiency.
[3] Includes interest, dividends, rental/royalties, and estates/trusts recipiency.
[4] Includes private pensions, military retirements, and Federal, State, and local government pension recipiency.

retirement income and investment income ranked second and third in median income level, respectively. As expected, those with additional income from nonearned sources (public assistance and/or other welfare payments) had the lowest median income for that year ($2,915). Persons with additional income from social security also had a low median income ($4,562). The concentration of recipients of these two latter income sources in the lowest income brackets existed regardless of the recipients' race, metropolitan status, or region of residence.

These medians indicate that wages and salaries contributed to improved income levels. The proportion of persons who also had wage and salary income increases with total personal income. In 1976, about two-thirds of all farm income persons with total personal income over $6,000 also had wage and salary earnings. However, wages and salaries boosted the median most for persons living in metropolitan areas and in the Northern and Western States. In both nonmetropolitan areas and the Southern States, persons with pensions (including railroad retirement) had the highest median incomes.

Earnings (wages, salaries, and/or self-employment income) make up the largest source of family income nationally, but most families also have additional sources. Examination of these other income sources among farm income families found interest payments to be the most frequently reported (table 4). Over half reported receipt of some interest income, with the incidence somewhat more pronounced among metropolitan families and families living in the combined Northern and Western States. Many families also reported Government transfer payments, mainly social security and railroad retirement—a reflection of this population's older age structure. The least frequently reported additional income source was public assistance and welfare payments.

A matrix of farm self-employment income by total family income does not show a distinguishable relationship between levels of farm income and total income (representative medians from the matrix are shown in table 5). The highest total family income median occurs, as expected, where farm income is highest—$10,000 and over. However, lower farm income levels and even the farm income loss category also have high medians. In fact, families reporting a negative farm income often had median income levels almost as high and sometimes higher than those with substantial farm income. In support of this, an earlier study of individuals filing farm tax

Table 4—Type of other income recipiency in 1975 for families with some farm self-employment income, by residence and region[1]

Type of other income recipiency	Number of families				
	Total	Metropolitan	Nonmetropolitan	South	North and West
	Thousands				
Total families	2,575	646	1,929	1,039	1,536
Families with farm self-employment income and:					
Social security and/or railroad retirement income	644	157	487	296	348
U.S., State, and/or local government income	64	13	50	45	19
Public assistance and/or welfare payments	22	2	21	13	10
Interest income	1,395	424	972	504	891
Dividends and/or estates, and/or rental income	904	249	655	308	596
Unemployment compensation, and/or veterans' payments and/or workers' compensation income	343	80	262	151	191
Private and/or government employee pension income	192	59	133	99	93
All other income	117	—	117	53	64

— = Zero or a number which rounds to zero.
[1]Persons as of March 1976.

Table 5—Median family income in 1975 for persons in families with some farm self-employment income, by residence and region[1]

Farm self-employment income	Median total family income				
	United States	Metropolitan	Nonmetropolitan	South	North and West
			Dollars		
Total	13,435	17,936	12,184	12,316	14,117
Income loss	11,439	14,355	10,219	13,112	8,866
Net money income:					
$1 to $499	11,647	16,909	8,943	10,948	12,432
$500 to $999	13,912	21,808	8,881	8,604	18,875
$1,000 to $1,999	8,738	16,734	8,023	7,570	11,395
$2,000 to $2,999	10,493	13,662	10,135	10,132	10,733
$3,000 to $3,999	7,922	12,390	7,663	7,056	8,216
$4,000 to $4,999	12,985	19,144	12,107	11,900	13,336
$5,000 to $5,999	11,199	17,272	10,429	10,392	11,367
$7,000 to $9,999	11,626	13,223	10,925	13,031	11,168
$10,000 and over	23,737	25,000 +	23,360	23,462	23,818

[1]Persons as of March 1976.

returns in 1970, found that: "The higher the basic income the more frequent became the reported farm losses," and "Nonfarm income was substantially higher for the farm loss group than for the group reporting farm profits" (5).

About a fourth of all farm income people were in families that reported a loss from their farming activities during 1975.[4] This, however, is not a reflection of their overall income level, as families are included in this category regardless of the amount of nonfarm income received. Therefore, farm loss does not necessarily indicate low socioeconomic well-being of farm families. Earlier studies found that the amount of loss incurred tends to be relatively small and is generally offset by income received from nonfarm sources (4). Apparently, nonfarm income sufficiently sustains most of these families even when no profit is earned from the farm.

The proportion reporting farm loss was significantly higher in the South than in the rest of the country. This regional variation may be partly explained by the disproportionate representation of small farms in the South. Such small farming operations have been found to be strongly associated with farm loss.

Another way of examining the importance of farm income is to derive a ratio of family farm income to total family income. This ratio indicates that the majority of farm income people had relatively low dependence on farming activities, with persons in the South somewhat less dependent than those in the remainder of the country (table 6). About 5 percent of all farm income people were in families with total dependence on income derived from farming. Such low dependency relates to the fact that most families have more than one income source and, on the average, these nonfarm sources yield higher returns. Perhaps a realistic measure of persons with very strong farm ties would be those with 75 percent or more dependency. Roughly a fourth of the northern and western farm income population is found at this level; a proportion nearly twice that found in the South.

[4]The proportion of farm income families reporting a farm loss is similar to that found by Crecink for 1973 (7). However, the Internal Revenue Service reported that nearly half of all farm proprietors filing a tax return in 1975 reported a farm loss (22). Special Federal tax rules accorded farmers can reduce the amount of farm income subject to Federal income tax (9). There is little information available to determine the extent to which income data collected in the March 1976 Current Population Survey reflect the use of these special tax provisions.

Table 6—Degree of dependence on farming in 1975 for persons in families with some farm self-employment income, by residence, region, and race[1]

Degree of dependence on farming[2]	United States	Metropolitan	Nonmetropolitan	South	North and West	White	Black
				Thousands			
Total people:							
Number	9,139	2,361	6,779	3,526	5,613	8,732	327
				Percent			
Percentage	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Degree of dependence (percent):							
100.0	4.8	1.7	5.9	4.6	4.9	4.6	6.0
75.00 - 99.99	15.2	8.4	17.5	8.0	19.7	15.4	9.9
50.00 - 74.99	9.2	8.5	9.4	9.7	8.8	9.1	11.9
25.00 - 49.99	12.7	10.6	13.5	10.0	14.5	12.7	13.4
15.00 - 24.99	6.8	6.4	6.9	6.4	7.0	6.6	9.4
0.01 - 14.99	25.2	32.0	22.9	28.6	23.2	24.8	38.5
Loss	26.1	32.4	23.9	32.7	21.9	26.8	10.9

[1]Persons as of March 1976.
[2]Degree of dependence on farming is the ratio of family farm income to family total income in 1975 expressed as a percentage.

Geographic Distribution

A larger proportion of farm income recipients and persons in families receiving farm self-employment income lived in nonmetropolitan than metropolitan areas and in the combined North and West than the South (tables 2 and 7). While historical information on farm income people is limited, data are available for the farm resident population, and there is little doubt that changes in the distribution of the farm income population would closely resemble those of the farm resident population. Many of the same individuals are included in both populations—in 1970 nearly two-thirds of all farm income families lived on farms (*15*). As will be discussed later, these two farm-related populations share many common characteristics and behavioral patterns.

With respect to farm residents, the South had more than half of all farm people until about 1950. But mechanization of cotton production and the near abandonment of the share-tenant system of farming resulted in heavy outmigration and a smaller southern share of the farm population total. Other parts of the Nation were less subject to such drastic changes in agricultural structure and, over time, the balance shifted. By 1976, the bulk of the farm resident population, like the farm income population, lived in the North and West. Only 35 percent of farm residents and 39 percent of farm income people remained in the South (*1*).

Both farm groups are predominantly nonmetropolitan, but about one-fifth of the farm resident and one-fourth of the farm income population live within the boundaries of Standard Metropolitan Statistical Areas (SMSA's) as defined in 1970 (*2*).[3] Many leading agricultural counties contain metropolitan cities, especially in the West. Furthermore, many metropolitan fringe counties are metropolitan only because of job commuting patterns and remain predominantly agricultural in land use.

Only about a tenth of all Blacks in the farm income population in 1976 resided in metropolitan areas, compared with a fourth of all Whites. Blacks were also much more likely to live in Southern States than were Whites—only 3 percent of the Black farm income population lived outside the South in 1976, compared with two-thirds of the Whites. Persons of Spanish origin in this population group were almost equally distributed between metropolitan and nonmetropolitan areas, but more often located in the North and West than the South.

[3]For definition of SMSA's see "Definitions and Explanations."

There are also geographic differences in income levels of farmpeople. The 1975 median income of farm income recipients living in metropolitan areas was $11,557 compared with only $7,499 for nonmetropolitan recipients (table 3). Reasons for this differential are numerous and complex, but the following are undoubtedly involved: (1) Metropolitan recipients are less likely to be solely dependent on their farm income than are nonmetropolitan recipients, and off-farm sources tend to yield greater income than farming activities; (2) Recipients living in or near large cities may have access to better alternatives for augmenting their farm incomes (for example, higher paying white-collar jobs); and (3) Income levels in general tend to be higher in metropolitan than nonmetropolitan areas.

Patterns for the total farm income population mirror those of recipients. Regardless of farm income level, the median for metropolitan farm income people was consistently higher than that of their nonmetropolitan counterparts (table 5). Although the regional gap was not as great as that between metropolitan and nonmetropolitan areas, in most cases median income levels in the North and West exceeded those in the South. These findings are consistent with overall national family medians which indicate lower incomes in the South (*18*).

Social Characteristics

The social characteristics that distinguish farm income recipients from their nonfarm counterparts are examined here in terms of age, sex, race, and education.

Age

On the average, people receiving farm self-employment income are older than their nonfarm counterparts. Persons with farm self-employment income, for all practical purposes, are synonymous with farm operators reported in the censuses of agriculture and their characteristics may be viewed interchangeably. Given the well-publicized aging trend of the Nation's farmers, it is not surprising that nearly two-thirds of the farm income recipients

Table 7—Race, Spanish origin, and sex of persons in families with some farm self-employment income, by residence and region, March 1976

Race, Spanish origin, and sex	Number of persons				
	United States	Metropolitan	Nonmetropolitan	South	North and West
	Thousands				
All races:					
Total	9,139	2,361	6,779	3,526	5,613
Male	4,788	1,246	3,543	1,851	2,937
Female	4,351	1,115	3,236	1,675	2,676
White:					
Total	8,732	2,289	6,443	3,173	5,560
Male	4,566	1,203	3,362	1,655	2,911
Female	4,167	1,086	3,081	1,518	2,649
Black:					
Total	327	40	288	318	9
Male	183	21	162	179	5
Female	144	18	126	139	5
Spanish origin:[1]					
Total	106	52	54	42	63
Male	57	29	28	22	35
Female	49	23	26	20	29

[1]Persons of Spanish origin may be of any race.

were 45 years of age or older in 1976, and were represented by a median age of 51 years (tables 8 and 9). About two-fifths of persons receiving other types of income were 45 years old or over and their median age of 40 years was significantly lower (18).

While some of the age difference is a function of self-employment in general, part relates specifically to farming. The older age structure of farmers developed gradually over the past few decades, principally as a result of modernization in agriculture. Technological advances fostered consolidation of smaller farms into larger more economically efficient units, thereby reducing the number of farms and simultaneously, labor requirements. With the high capital investments necessary for modern farming and limited availability of good farmland, it became increasingly difficult for young adults to enter farming. As fewer young people entered farming, the average age of existing operators was raised. Also, the nature of farming is such that older operators may

Table 8—Age of persons with some farm self-employment income, by residence and region, March 1976

Age	Number of persons					Percentage distribution				
	United States	Metropolitan	Nonmetropolitan	South	North and West	United States	Metropolitan	Nonmetropolitan	South	North and West
	Thousands					Percent				
All persons	3,066	776	2,290	1,208	1,858	100.0	100.0	100.0	100.0	100.0
Under 18 years	36	8	27	16	19	1.2	1.1	1.2	1.4	1.0
18-64 years	2,415	622	1,793	930	1,485	78.8	80.2	78.3	77.0	79.9
18-24 years	177	42	135	55	121	5.8	5.4	5.9	4.6	6.5
25-34 years	401	124	277	138	263	13.1	16.0	12.1	11.4	14.2
35-44 years	496	129	367	171	324	16.2	16.6	16.0	14.2	17.4
45-54 years	661	149	513	283	378	21.6	19.2	22.4	23.4	20.4
55-64 years	681	180	501	282	398	22.2	23.1	21.9	23.4	21.4
65 years and over	616	146	470	262	354	20.1	18.8	20.5	21.7	19.0

Table 9—Age of persons with some farm self-employment income, by race and sex, March 1976

Age	Number of persons				Percentage distribution			
	White	Black	Male	Female	White	Black	Male	Female
	Thousands				Percent			
All persons	2,956	86	2,705	361	100.0	100.0	100.0	100.0
Under 18 years	36	—	31	4	1.2	—	1.2	1.2
18-64 years	2,327	68	2,207	208	78.7	78.6	81.6	57.5
18-24 years	170	3	167	9	5.8	3.4	6.2	2.5
25-34 years	389	7	384	17	13.2	8.6	14.2	4.6
35-44 years	483	10	453	43	16.3	11.5	16.7	11.8
45-54 years	641	18	620	41	21.7	20.5	22.9	11.4
55-64 years	645	30	582	98	21.8	34.7	21.5	27.2
65 years and over	593	18	466	149	20.1	21.4	17.2	41.4

— = Zero or a number which rounds to zero or a percent which rounds to less than 0.1.

easily delay retirement until later years, further limiting opportunities for potential young farmers (6). Only about 9 percent of persons self-employed in the nonfarm sector were 65 years old or over in 1976, compared with 20 percent of those in the farm sector.

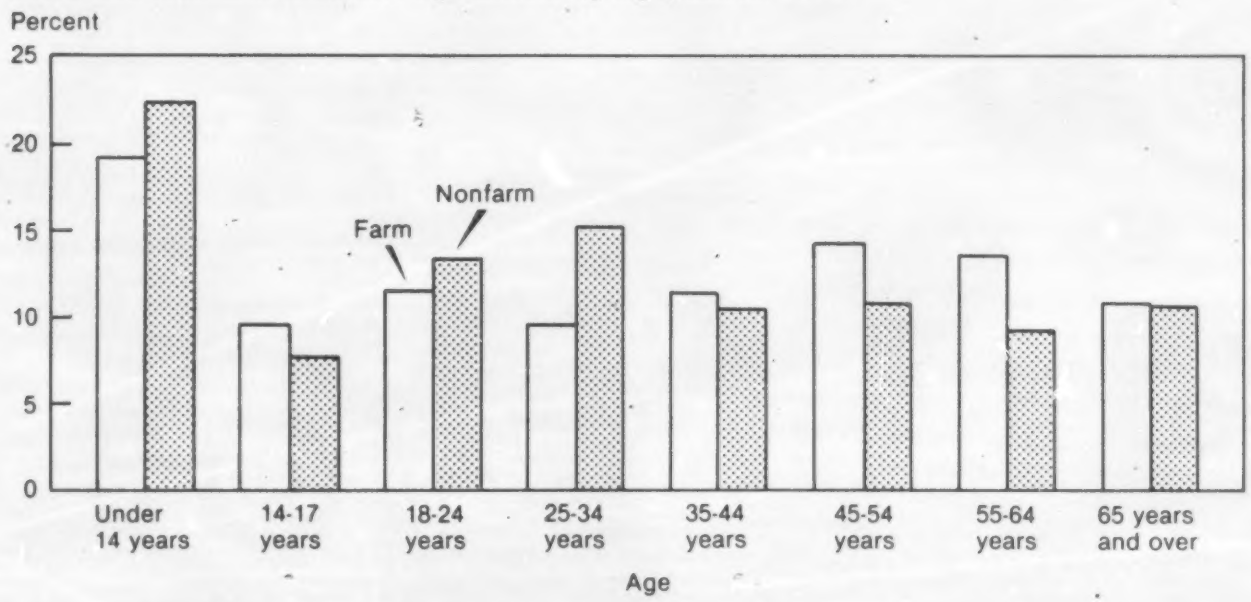
When all family members are added to the group of income recipients, their median age of 35 years is notably higher than the 29-year median for nonfarm people. Comparison of age structures reveals that the differences between farm income people and people their age not in farm income families do not extend evenly across age groups (fig. 1). The greatest difference exists within the commonly designated working ages, which are between 18 and 64 years. While both income groups show about the same proportion in these economically active ages, the largest concentrations within the farm group were in the age categories over 45, while the highest percentages of the nonfarm group were in the under-35 age categories (19).

When data are viewed for select segments of the farm income population, age distributions indicate compositional differences (table 10). The median age was higher for farm income people in the South than in the rest of the Nation (38.0 years compared with 32.7 years), and somewhat higher in nonmetropolitan than in metropolitan areas (35.4 years compared with 33.2 years). The considerably higher average age of the southern farm income population is thought to reflect both the greater extent of decline in number of southern farms in recent decades—thus forcing the age up by less entry of the young—and the greater propensity for northern and western farmers to move to town in retirement rather than continue to live in the countryside with small-scale operations. Blacks were considerably younger than Whites and, as is true for the general population, persons of Spanish origin were even younger (table 11).

Age also varies by degree of dependence on farming, as measured by the ratio of family farm income

Figure 1

Farm and Nonfarm Income Populations by Age, March 1976



Source: U.S. Bureau of the Census. Current Population Survey.

Table 10—Age of persons in families with some farm self-employment income, by residence and region, March 1976

Age	Number of persons					Percentage distribution				
	United States	Metropolitan	Nonmetropolitan	South	North and West	United States	Metropolitan	Nonmetropolitan	South	North and West
	Thousands					Percent				
All persons	9,139	2,361	6,779	3,526	5,613	100.0	100.0	100.0	100.0	100.0
Under 18 years	2,651	669	1,982	930	1,721	29.0	28.4	29.2	26.4	30.7
18-64 years	5,504	1,450	4,054	2,175	3,329	60.2	61.4	59.8	61.7	59.3
18-24 years	1,051	312	740	389	663	11.5	13.2	10.9	11.0	11.8
25-34 years	880	242	638	331	549	9.6	10.3	9.4	9.4	9.8
35-44 years	1,028	277	752	376	652	11.3	11.7	11.1	10.7	11.6
45-54 years	1,317	314	1,003	558	758	14.4	13.3	14.8	15.8	13.5
55-64 years	1,228	305	922	520	708	13.4	12.9	13.6	14.7	12.6
65 years and over	984	241	743	421	563	10.8	10.2	11.0	11.9	10.0

to family total income. Median age tends to be older for persons in families with less dependence on farming, except for the somewhat younger group showing farm income losses. By dependence category these medians are:

100 percent	=	29.0 years
75-99 percent	=	28.4 years
50-74 percent	=	34.6 years
25-49 percent	=	39.9 years
15-24 percent	=	40.0 years
0-15 percent	=	39.0 years
Farm income loss	=	32.4 years

One reason for the higher median ages in the lower dependency groups is that as people become older they often receive more income from investments or interest from savings.

Another aspect of the income effect is the way in which age varies by source of income. Examination of the various sources for farm income recipients finds the highest median age (62.6 years) occurs among persons with farm self-employment and some type of nonwage income, such as property, investments, and pensions. As expected, people who receive only farm self-employment income were somewhat older than persons whose only other source was wage and salary earnings (44.5 years compared with 41.7 years). This finding relates to the need and practice of younger farmers supplementing their farm incomes by finding employment off the farm.

Sex

Persons receiving farm self-employment income are predominantly male. As of 1976, only about 12 percent of the Nation's 3.1 million farm income recipients were female (table 9). Males have dominated farming to the extent that the census of agriculture only recently began reporting data on women farmers, who now form a growing component. Still, there were 749 males for every 100 females in the farm income recipient group. This sex ratio varied somewhat, but males far outnumbered females in metropolitan as well as nonmetropolitan areas and in major geographic regions of the country.

These findings reflect the basic nature of farm work and the way in which income is reported. Even though most farm wives do some farm work, their income is not separable from that of their husbands and total family farm income is reported under the husband's entry. Most of the farm women credited with receipt of farm income either are involved in the enterprise alone or are widows. Also, females, for a combination of social and economic reasons, are less likely than males to remain alone in farming. There is a strong tendency for outmigration among single farm women upon reaching maturity and of older farm women upon widowhood.

A large share of both males and females in the group also received income from investments, but males more often earned additional income from wage and salary employment, whereas more of the

women received social security payments. The higher incidence of social security benefits for females is a reflection of their older age structure. Over 40 percent of the women were 65 years of age and over, and their median age of 61.8 was more than 10 years older than that for male recipients. Moreover, while there is a greater propensity for outmigration among the group, half of the women were widowed compared with only 2 percent of the men.

Males also make up a larger proportion of all persons in families with farm self-employment income than do females (table 11). There were 110 males in this population for every 100 females—a ratio very close to that of the farm resident population (109 males per 100 females). In comparison, females are the majority in the nonfarm population with only 93 males per 100 females.

The lower representation of females in the farm population largely stems from their higher rates of outmigration in response to limited job opportunities. Historically, there has been a greater demand for male labor in the farm sector, and while the force of this economic push has diminished, effects of past patterns are still visible in the sex makeup of farm resident and income people alike.

Race and Spanish Origin

Of the 3.1 million recipients of farm self-employment income reported in 1976, only 86,000 were Black and 26,000 of Spanish origin (who may be of any race). Associated with these recipients were 327,000 Black and 106,000 Spanish origin family members, representing 4 percent and 1 percent of the total farm income population, respectively (table 7). These proportions are very similar to those found in the farm resident population—both have a higher proportion of Whites and lower proportions of Blacks and persons of Spanish origin than their nonfarm counterparts.

Such low representation of minority groups stems from the long-term racial and ethnic composition of the Nation's farmers. The 1974 agricultural census reported that only 2 percent of over 2 million farm operators were Black and less than 1 percent were of Spanish origin. Today's small Black farm component has been associated with heavy losses in the number of cotton and tobacco farms, where Blacks have always had a disproportionate representation.

Black recipients were less likely than Whites to have additional income sources. In 1976, about 20 percent of all Black recipients reported farm self-

Table 11—Age of persons in families with some farm self-employment income, by race, Spanish origin, and sex, March 1976

Age	Number of persons					Percentage distribution				
	White	Black	Spanish origin[1]	Male	Female	White	Black	Spanish origin[1]	Male	Female
	Thousands					*Percent*				
All persons	8,732	327	106	4,788	4,351	100.0	100.0	100.0	100.0	100.0
Under 18 years	2,522	97	39	1,411	1,240	28.9	29.6	37.2	29.5	28.5
18-64 years	5,263	198	60	2,854	2,650	60.3	60.4	56.5	59.6	60.9
18-24 years	989	49	16	600	451	11.3	15.0	15.1	12.5	10.4
25-34 years	840	32	13	471	409	9.6	9.7	12.3	9.8	9.4
35-44 years	998	24	9	498	530	11.4	7.3	8.6	10.4	12.2
45-54 years	1,260	47	13	661	655	14.4	14.4	12.3	13.8	15.1
55-64 years	1,176	46	9	623	604	13.5	13.9	8.2	13.0	13.9
65 years and over	947	33	7	523	461	10.8	10.0	6.3	10.9	10.6

[1]Persons of Spanish origin may be of any race.

employment as their only income source, compared with 15 percent of Whites (table 2). However, when wage and salary income was received, Blacks were most likely to have these additional earnings only, whereas Whites most often also had other income sources. There are only slight differences by race in the proportion of recipients reporting income from any other sources.

A somewhat different picture emerges when farm families are examined by degree of dependence on farm income. Ratios of family farm income to family total income show that Black families tend to be less dependent than White families (table 6). Nearly half of all Black farm income people were in families that acquired less than 25 percent of their total income from farming. The comparable proportion among Whites was under a third. Thus, supplemental income, whatever the source, appears relatively more important to Black families than White families.

Education

Compulsory school attendance laws, rising socioeconomic status, and changing norms concerning the value of education have contributed to a national increase in educational attainment. Historical information on the farm income study group is not available as such, however, there is ample documentation that the education of farm operators has risen rapidly.

In 1976, the median number of school years attended by farm income recipients was 12 years. While data on years of school completed are not available for the recipient group, their level would be close to the national median of 12.3 years (16). The recipient group showed no notable differences in median number of school years attended by region of residence, metropolitan status, or sex, but as is true of the total U.S. population, Black recipients and also those of Spanish origin had substantially lower medians.

Additional income sources had little relationship to median years of school attended. There were, however, two exceptions: (1) The level was consistently higher for persons combining wages and salaries with self-employment income; and (2) The level was contrastingly lower for persons with farm self-employment and some other nonspecified income. These variations may well be largely determined by age differences.

The median measure summarizes overall educational level, but for some groups the distribution of people above and below this estimate varies. For instance, a much higher proportion of metropolitan recipients went to college than did nonmetropolitan recipients, a difference characteristic of the general population as well (table 12). Educational distributions by sex revealed an atypical pattern. In both 1970 and 1976, female recipients were more likely than males to have gone to college (table 13). However, their nonfarm counterparts show the opposite pattern of proportionately lower attendance. It is interesting to note that at the other end of the distribution, a smaller share of females than males, after 8 years of elementary schooling, continued to high school.

Regional distributions of farm income recipients among broad educational categories show more southern recipients in the elementary school category than their counterparts elsewhere, and more recipients in the combined North and West than South at the high school level.

Contrary to what might have been found among earlier generations of recipients, differences in educational level were minimal. This development, however, is consistent with overall trends showing a narrowing of educational gaps among subgroups of our Nation's population.

Family Characteristics

Farm income families—those that contained at least one member who received some farm self-employment income—numbered 2.6 million in 1976 (table 14). These families, like farm resident families, have a higher than average number with both husband and wife present. Ninety-four percent of all farm income families were of the husband-wife type; the comparable proportion for their nonfarm counterparts was 84 percent.

Nationally, there has been an increase in the number of families headed by women and in 1976, they made up 13 percent of all families (17). This family type was also present in the recipient group, but to a much lesser extent—4 percent.

More than half of all farm income families did not have a member under 18 years of age; a proportion significantly higher than that of 44 percent for the general population. Farm families that did contain

young members were more likely to have one or more 6 to 17 years old than small children; less than a fifth contained a child under 6 years of age. The above average proportion of families with no children present reflects the considerably older age profile of the recipient population.

The incidence of families with children was somewhat more pronounced among farm income families living in the North and West. Not only were families outside the South more likely to have children present, but young children in particular. Nineteen percent of the farm income families living in the Northern and Western States had at least one child under 6 years old as opposed to 14 percent among those living in the Southern States. This regional disparity is thought to be a reflection of differences in age composition and/or fertility levels.

Table 12—Educational level of persons with some farm self-employment income, by residence and region, March 1976

Highest grade of school attended	Number of persons					Percentage distribution				
	United States	Metropolitan	Nonmetropolitan	South	North and West	United States	Metropolitan	Nonmetropolitan	South	North and West
	Thousands					Percent				
All persons	3,066	776	2,290	1,208	1,858	100.0	100.0	100.0	100.0	100.0
Elementary:										
Less than 8 years	293	56	236	217	76	9.5	7.3	10.3	18.0	4.1
8 years	507	96	411	158	349	16.5	12.3	18.0	13.1	18.8
High school:										
1-3 years	452	84	368	191	261	14.7	10.8	16.1	15.8	14.1
4 years	1,013	250	763	330	683	33.0	32.2	33.3	27.3	36.8
College:										
1-3 years	417	126	291	149	268	13.6	16.2	12.7	12.3	14.4
4 years and over	384	164	220	163	220	12.5	21.1	9.6	13.5	11.9

Table 13—Educational level of persons with some farm self-employment income, by race and sex, March 1976

Highest grade of school attended	Number of persons				Percentage distribution			
	White	Black	Male	Female	White	Black	Male	Female
	Thousands				Percent			
All persons	2,956	86	2,705	361	100.0	100.0	100.0	100.0
Elementary:								
Less than 8 years	245	43	260	33	8.3	50.1	9.6	9.1
8 years	485	14	429	78	16.4	16.5	15.9	21.5
High school:								
1-3 years	437	14	401	51	14.8	15.6	14.8	14.3
4 years	991	15	921	91	33.5	17.7	34.1	25.3
College:								
1-3 years	416	—	360	57	14.1	—	13.3	15.7
4 years and over	383	—	333	51	13.0	—	12.3	14.0

— = Zero or a number which rounds to zero or a percent which rounds to less than 0.1.

Table 14—Family characteristics of persons in families with some farm self-employment income, by race and Spanish origin, March 1976

Family characteristic	Number of families	Number of persons			Percentage distribution			
		White	Black	Spanish origin[1]	Families	White	Black	Spanish origin[1]
	Thousands				*Percent*			
Total	2,575	8,732	327	106	100.0	100.0	100.0	100.0
Type of family:								
Husband-wife family	2,412	8,094	296	100	93.7	92.7	90.4	94.3
Other male head	66	280	13	4	2.6	3.2	4.0	3.4
Female head	97	358	18	2	3.8	4.1	5.6	2.3
Own, never-married children under 18 years of age:								
None	1,351	3,367	155	25	52.5	38.6	47.4	23.8
1 or more, all under 6	181	630	—	15	7.0	7.2	—	14.7
1 or more, some under 6, some 6-17	247	1,287	33	8	9.6	14.7	10.2	7.6
1 or more, all 6-17	796	3,448	139	57	30.9	39.5	42.5	54.0
Family members 18-64 years of age:								
None	228	581	20	2	8.9	6.7	6.0	2.0
1 member	244	686	11	5	9.5	7.9	3.3	4.5
2 members	1,484	4,805	127	52	57.6	55.0	38.8	49.3
3-4 members	574	2,365	149	35	22.3	27.1	45.6	33.1
5 or more members	45	295	21	12	1.7	3.4	6.3	11.1
Family members 65 years of age and over:								
None	1,998	7,247	242	93	77.6	83.0	73.9	88.5
1 member	294	866	61	6	11.4	9.9	18.6	5.6
2 members	272	578	25	6	10.5	6.6	7.5	6.0
3 or more members	12	41	—	—	.5	.5	—	—
Earners in family:								
1 member	1,043	3,204	120	21	40.5	36.7	36.5	19.7
2 members	1,016	3,184	117	50	39.5	36.5	35.8	47.3
3 members	345	1,397	37	18	13.4	16.0	11.2	17.3
4 or more members	170	948	54	17	6.6	10.9	16.5	15.7
Ratio of family income to poverty level:								
Below poverty level	303	1,086	140	16	11.8	12.4	42.9	14.8
100-124 percent of poverty level	128	461	26	11	5.0	5.3	7.9	10.6
125-149 percent of poverty level	116	428	25	6	4.5	4.9	7.8	5.5
150 percent and above poverty level	2,029	6,757	136	73	78.8	77.4	41.4	69.1

— = Zero or a number which rounds to zero or a percent which rounds to less than 0.1.
[1]Persons of Spanish origin may be of any race.

The great majority of persons receiving some farm self-employment income were household heads (table 15). The second largest group of recipients were primary individuals, followed by those living in their parents' household—about 9 out of every 10 such persons were males (table 16). The dominance of males in this category may reflect father-son enterprises and/or the higher probability of a son rather than a daughter taking over the farm upon the parent's semi-retirement or even complete retirement from active farming.

Although most recipients were primary family members, there were 268,000 primary individuals—those who reported they lived alone or with someone not related. Exact proportions in these two categories are not known, but at the national level the vast majority were single-person households. In the farm income group, this household type includes many elderly women who survived their husbands and live alone. About half of all female recipients were widows and about two-fifths were 65 years old or over.

Farm income families were about average in size with 3.4 persons in 1976. However, there were significant differences between farm income families and their nonfarm counterparts in the numbers of persons earning some income. About two-fifths of both farm and nonfarm families had only one person earning income (farm and/or nonfarm), but the farm families were less likely to have two earners and more likely to have three or more earners. Despite more earners per family, median family income for the farm income recipient group was not significantly different from their nonfarm counterparts.

A somewhat higher than average incidence of poverty was noted in the farm income population. Further, national differences in poverty level by race were also evidenced in the group and to a greater extent. About 12 percent of White farm income people and 43 percent of Blacks were below the poverty level, compared with national percentages of 10 and 31 for Whites and Blacks, respectively. Traditional regional and residential differences were also present, with significantly higher proportions in the South and in nonmetropolitan areas falling below the poverty level (table 17).

Table 15—Family characteristics of persons with some farm self-employment income, by residence and region, March 1976

Family characteristic	Number of persons					Percentage distribution				
	United States	Metropolitan	Nonmetropolitan	South	North and West	United States	Metropolitan	Nonmetropolitan	South	North and West
	Thousands					*Percent*				
All persons	3,066	776	2,290	1,208	1,858	100.0	100.0	100.0	100.0	100.0
Marital status:										
Married	2,432	601	1,832	967	1,465	79.3	77.4	80.0	80.1	78.9
Widowed	237	62	176	104	133	7.7	8.0	7.7	8.6	7.2
Divorced or separated	99	35	63	43	56	3.2	4.5	2.8	3.6	3.0
Never married	298	78	219	94	204	9.7	10.1	9.6	7.8	11.0
Relationship to head:										
Head	2,433	586	1,847	976	1,457	79.3	75.5	80.6	80.8	78.4
Wife of head	109	49	60	38	71	3.6	6.3	2.6	3.2	3.8
Child of head	185	42	144	64	121	6.0	5.4	6.3	5.3	6.5
Other relative of head	49	17	32	21	29	1.6	2.2	1.4	1.7	1.5
Secondary family member or individual	22	10	12	8	14	.7	1.2	.5	.7	.7
Primary individual	268	73	195	101	166	8.7	9.4	8.5	8.4	9.0

Table 16—Family characteristics of persons with some farm self-employment income, by race and sex, March 1976

Family characteristic	Number of persons				Percentage distribution			
	White	Black	Male	Female	White	Black	Male	Female
	Thousands				Percent			
All persons	2,956	86	2,705	361	100.0	100.0	100.0	100.0
Marital status:								
Married	2,354	64	2,318	114	79.6	74.3	85.7	31.6
Widowed	226	10	54	184	7.6	11.6	2.0	50.8
Divorced or separated	89	5	68	31	3.0	5.5	2.5	8.5
Never married	287	7	265	33	9.7	8.6	9.8	9.1
Relationship to head:								
Head	2,355	64	2,354	79	79.6	73.5	87.0	21.9
Wife of head	105	5	—	109	3.5	5.4	—	30.2
Child of head	176	7	170	15	6.0	8.6	6.3	4.3
Other relative of head	45	4	33	16	1.5	4.4	1.2	4.4
Secondary family member or individual	19	2	20	2	.7	2.8	.7	.4
Primary individual	256	5	128	140	8.7	5.3	4.7	38.7

— = Zero or a number which rounds to zero or a percent which rounds to less than 0.1.

Employment Characteristics

About four-fifths of all farm self-employment income recipients were in the labor force, either working or seeking work in March 1976 (table 18). The remaining fifth were not technically in the labor force but did receive some farm self-employment income in 1975. Many are believed to have been retired people or widows who continued to function as landlords of farming operations. Others may have actually engaged in farming the previous crop year but had since retired. Additionally, a fraction might have had a fairly small farming operation, but did not consider themselves as working during the survey week.

The rate of labor force participation in the population as a whole was about 60 percent. Compared to their respective nonfarm groups, rates of participation among the recipients were above average irrespective of race, metropolitan status, or region of residence.

Overall, employed recipients were more likely to be primarily engaged in agriculture than in nonagricultural industries. However, 44 percent indicated primary employment in nonagricultural pursuits, which directly reflects the frequency of holding two or more jobs among persons employed in agriculture. In May 1976, over 800,000 multiple jobholders, one-fifth of the national total, had at least one agricultural job (*21*). These individuals were primarily nonagricultural wage and salary workers who operated their own farms as a secondary job.

Some variations in the likelihood of primary agricultural employment may be noted. Both female recipients and those living in metropolitan areas were more likely to be engaged primarily in off-farm work (tables 18 and 19). Those living in the combined North and West were more likely to be primarily employed in agriculture than those in the remainder of the country. This regional disparity also emerges when farm operators are examined in terms of their principal occupation. According to the 1974 agricultural census, 69 percent of the farm operators living in the North and West reported that they spent at least half of their worktime in farming. Only 53 percent of southern farm operators indicated that farming was their principal occupation.

The leading occupational classification of persons receiving some farm self-employment income was farm operators and farm managers. Those recipients not primarily engaged in the agricultural workforce were most often wage and salary earners

Table 17—Family characteristics of persons with some farm self-employment income, by residence and region, March 1976

Family characteristic	Number of persons					Percentage distribution				
	United States	Metropolitan	Nonmetropolitan	South	North and West	United States	Metropolitan	Nonmetropolitan	South	North and West
	Thousands					*Percent*				
All persons in families	9,139	2,361	6,779	3,526	5,613	100.0	100.0	100.0	100.0	100.0
Type of family:										
Husband-wife family	8,462	2,158	6,304	3,235	5,228	92.6	91.4	93.0	91.7	93.1
Other male head	295	85	210	121	174	3.3	3.6	3.1	3.4	3.1
Female head	382	118	264	171	211	4.2	5.0	3.9	4.8	3.8
Own, never-married children under 18 years of age:										
None	3,546	926	2,619	1,580	1,966	38.8	39.2	38.6	44.8	35.0
1 or more, all under 6	642	171	471	167	475	7.0	7.2	7.0	4.7	8.5
1 or more, some under 6, some 6-17	1,340	281	1,059	502	838	14.7	11.9	15.6	14.2	14.9
1 or more, all 6-17	3,612	983	2,629	1,277	2,334	39.5	41.6	38.8	36.2	41.6
Family members 18-64 years of age:										
None	605	150	455	249	356	6.6	6.4	6.7	7.1	6.3
1 member	700	170	530	327	373	7.7	7.2	7.8	9.3	6.6
2 members	4,967	1,234	3,733	1,869	3,099	54.4	52.3	55.1	53.0	55.2
3-4 members	2,551	638	1,913	994	1,557	27.9	27.0	28.2	28.2	27.7
5 or more members	316	169	148	87	229	3.5	7.1	2.2	2.5	4.1
Family members 65 years of age and over:										
None	7,564	1,958	5,606	2,824	4,740	82.8	82.9	82.7	80.1	84.4
1 member	931	238	694	428	504	10.2	10.1	10.2	12.1	9.0
2 members	603	165	438	264	339	6.6	7.0	6.5	7.5	6.0
3 or more members	41	—	41	11	30	.5	—	.6	.3	.5
Earners in family:										
1 member	3,353	831	2,522	1,251	2,102	36.7	35.2	37.2	35.5	37.4
2 members	3,328	841	2,487	1,443	1,885	36.4	35.6	36.7	40.9	33.6
3 members	1,456	355	1,101	571	885	15.9	15.0	16.2	16.2	15.8
4 or more members	1,002	333	669	260	742	11.0	14.1	9.9	7.4	13.2
Ratio of family income to poverty level:										
Below poverty level	1,260	224	1,036	569	690	13.8	9.5	15.3	16.1	12.3
100-124 percent of poverty level	487	66	421	190	297	5.3	2.8	6.2	5.4	5.3
125-149 percent of poverty level	455	92	363	227	227	5.0	3.9	5.4	6.5	4.0
150 percent and above poverty level	6,938	1,979	4,959	2,540	4,398	75.9	83.8	73.2	72.0	78.4

— = Zero or a number which rounds to zero or a percent which rounds to less than 0.1.

Table 18—Economic characteristics of persons with some farm self-employment income, by residence and region, March 1976

Economic characteristic	Number of persons					Percentage distribution				
	United States	Metropolitan	Nonmetropolitan	South	North and West	United States	Metropolitan	Nonmetropolitan	South	North and West
	Thousands					*Percent*				
All persons, 14 years old and over	3,066	776	2,290	1,208	1,858	100.0	100.0	100.0	100.0	100.0
Labor force status:										
In labor force	2,550	628	1,922	1,011	1,539	83.2	80.9	84.0	83.7	82.8
Not in labor force	516	148	368	197	319	16.8	19.1	16.0	16.3	17.2
In labor force	2,550	628	1,922	1,911	1,539	100.0	100.0	100.0	100.0	100.0
Employed	2,533	623	1,910	1,003	1,530	99.3	99.3	99.3	99.2	99.4
Agriculture	1,414	252	1,162	498	916	55.5	40.1	60.4	49.3	59.5
Nonagricultural industries	1,118	371	748	504	614	43.9	59.1	38.9	49.9	39.9
Unemployed	17	5	13	9	9	.7	.7	.7	.8	.6
Major occupation:										
White-collar workers	532	222	311	237	295	17.4	28.6	13.6	19.6	15.9
Blue-collar workers	548	158	390	246	302	17.9	20.4	17.0	20.3	16.2
Service workers	86	23	62	41	45	2.8	3.0	2.7	3.4	2.4
Farmers and farm managers	1,498	265	1,233	523	976	48.9	34.1	53.8	43.3	52.5
Farm laborers and supervisors	62	15	47	18	44	2.0	1.9	2.1	1.5	2.4
No previous full time work experience	339	93	247	144	196	11.1	12.0	10.8	11.9	10.5
Major industry:										
Agriculture, forestry, and fisheries	1,574	281	1,292	545	1,029	51.3	36.3	56.4	45.1	55.4
Mining	17	6	10	12	5	.6	.8	.5	1.0	.2
Construction	149	53	97	73	76	4.9	6.8	4.2	6.0	4.1
Manufacturing	288	102	186	112	176	9.4	13.1	8.1	9.3	9.5
Transportation, communication, and public utilities	116	31	85	52	64	3.8	4.0	3.7	4.3	3.4
Wholesale and retail trade	183	42	140	84	99	6.0	5.5	6.1	6.9	5.3
Finance, insurance, real estate, and business and repair services	104	43	61	47	57	3.4	5.6	2.7	3.9	3.1
Personal, entertainment, and recreation services	28	5	23	12	17	.9	.6	1.0	1.0	.9
Professional and related services	169	83	86	77	91	5.5	10.7	3.7	6.4	4.9
Public administration	99	36	63	50	49	3.2	4.6	2.8	4.2	2.6
No previous full time work experience	339	93	247	144	196	11.1	12.0	10.8	11.9	10.5

Persons who did no civilian work for pay, or profit, or were unpaid family workers during 1975.

with white- or blue-collar occupations.[5] While recipients were about equally divided between these two major occupational groups, females and those recipients residing in metropolitan areas were more often working in white-collar occupations. Educational data show that these two groups have the highest proportion with some college training and thus, would be most qualified for such work. Black recipients, with their lower average educational status, were concentrated in blue-collar and service jobs.

Agriculture was also the top industrial classification. Generally, recipients not working primarily in agriculture were most likely to be employed in manufacturing industries. Other leading industry groups were trade, professional services, and construction. With the exception of the dominance of agriculture, a somewhat different picture emerges when race and sex of recipients are considered. Manufacturing as a leading primary industry group pertained to Whites and males only. Black recip-

[5]White-collar occupations include professional, technical, and kindred workers; managers and administrators, except farm; sales workers; and clerical and kindred workers. Blue-collar occupations include operatives, craft and kindred workers, and laborers, except farm.

Table 19—Economic characteristics of persons with some farm self-employment income, by race and sex, March 1976

Economic characteristic	Number of persons				Percentage distribution			
	White	Black	Male	Female	White	Black	Male	Female
	Thousands				*Percent*			
All persons, 14 years old and over	2,956	86	2,705	361	100.0	100.0	100.0	100.0
Labor force status:								
In labor force	2,465	67	2,414	137	83.4	78.0	89.2	37.9
Not in labor force	490	19	291	224	16.6	22.0	10.8	62.1
In labor force	2,465	67	2,414	137	100.0	100.0	100.0	100.0
Employed	2,451	64	2,396	137	99.4	95.7	99.3	100.0
Agriculture	1,366	37	1,350	64	55.4	55.1	55.9	47.1
Nonagricultural industries	1,085	27	1,046	72	44.0	40.5	43.3	52.9
Unemployed	14	3	17	—	.6	4.3	.6	—
Major occupation:								
White-collar workers	529	—	477	56	17.9	—	17.6	15.4
Blue-collar workers	532	12	535	13	18.0	14.3	19.8	3.6
Service workers	75	11	65	21	2.5	12.6	2.4	5.8
Farmers and farm managers	1,438	49	1,422	77	48.6	56.4	52.6	21.3
Farm laborers and supervisors	59	3	59	3	2.0	3.3	2.2	.8
No previous full time work experience[1]	323	12	147	192	10.9	13.4	5.4	53.1
Major industry:								
Agriculture, forestry, and fisheries	1,509	52	1,493	81	51.1	59.7	55.2	22.5
Mining	17	—	17	—	.6	—	.6	—
Construction	142	4	149	—	4.8	4.6	5.5	—
Manufacturing	280	6	269	19	9.5	6.7	10.0	5.2
Transportation, communication, and public utilities	110	6	113	3	3.7	7.1	4.2	.9
Wholesale and retail trade	183	—	167	15	6.2	—	6.2	4.3
Finance, insurance, real estate, and business and repair services	103	—	99	5	3.5	—	3.7	1.3
Personal, entertainment, and recreation services	27	1	22	6	.9	1.4	.8	1.7
Professional and related services	164	5	130	38	5.5	5.5	4.8	10.7
Public administration	98	1	97	2	3.3	1.6	3.6	.4
No previous full time work experience[1]	323	12	147	192	10.9	13.4	5.4	53.1

— = Zero or a number which rounds to zero or a percent which rounds to less than 0.1.
[1]Persons who did no civilian work for pay, or profit, or were unpaid family workers during 1975.

ients were just as likely to be primarily employed in transportation, communication, and public utilities, while females were most often employed in professional services.

Conclusions

Farm self-employment income is a tenuous identifier of persons with strong ties to agriculture. Both farm income and farm resident people are often engaged in nonfarm as well as farming activities. Therefore, it is not surprising that the great majority of farm income recipients reported additional income sources. Wage and salary earnings were the most frequently reported and contributed significantly to improved income levels. Many recipients also received additional income from sources such as property and interest investments, social security, and retirement. Thus, considering farm income alone tends to understate overall income levels and is a poor indicator of overall well-being.

Farm income families also evidenced little relationship between the level of farm income and total family income. Generally, families with high farm income also had high total income, but more important, families with low farm income and even negative farm income often had substantial total income. In fact, a fourth of all farm income people were in families that reported a farm loss, but their median income level often exceeded those for families with positive income from farming. The implication, therefore, is that these losses tended to be rather small and sufficiently offset by income received from nonfarm sources.

About 5 percent of all farm income people were in families with complete dependence on income derived from farming. Perhaps if this study had also included persons in families with farm wage and salary income, the results would have been somewhat different, particularly in the degree of dependence. There is little doubt that farm wage and salary earners also have additional income sources, but their farm earnings probably make up a more significant share of the total.

Demographic and socioeconomic data on farm income people often characterize them as distinctly different from their nonfarm counterparts. Previous research efforts have found similar differences between farm resident and nonfarm resident populations. As farm income people are also usually farm residents, these findings were expected.

This research has provided information not previously available on the number and characteristics of farm income people, but gaps in our knowledge still exist. When more extensive data become available from the 1980 Census of Population, we will again analyze farm income people and assess their relative numbers and situation.

Bibliography

(1) Banks, Vera J. *Farm Population Estimates for 1976.* AER-383. U.S. Dept. of Agr., Econ. Res. Serv., Sept. 1977.

(2) _____, Diana DeAre, and Robert C. Speaker. "Farm Population of the United States: 1976," *Current Population Reports.* Series P-27, No. 49. U.S. Bur. Census and U.S. Dept. of Agr., cooperating, Dec. 1977.

(3) Beale, Calvin L. "Making a Living in Rural and Smalltown America," *Rural Development Perspectives,* No. 1 (Nov. 1978), 1-5.

(4) Carlin, Thomas A., and Linda M. Ghelfi. "Off-Farm Employment and the Farm Sector," *Structure Issues of American Agriculture.* AER-438. U.S. Dept. of Agr., Econ. Stat. Coop. Serv., Nov. 1979, pp. 270-273.

(5) _____, and W. Fred Woods. *Tax Loss Farming.* ERS-546. U.S. Dept. of Agr., Econ. Res. Serv., Apr. 1974.

(6) Coffman, George W. "Entry and Exit: Barriers and Incentives," *Structure Issues of American Agriculture.* AER-438. U.S. Dept. of Agr., Econ. Stat. Coop. Serv., Nov. 1979, pp. 116-120.

(7) Crecink, John C. *Families with Farm Income, Their Income, Income Distribution, and Income Sources.* U.S. Dept. of Agr., Econ. Stat. Coop. Serv., Nov. 1979.

(8) Larson, Donald K. "Impact of Off-Farm Income on Farm Family Income Levels," *Agricultural Finance Review,* Vol. 36 (Apr. 1976), 7-11.

(9) Sisson, Charles A. *The U.S. Tax System and the Structure of American Agriculture.* Washington, D.C.: The National Rural Center, 1980.

(10) Smith, Leslie W., and Gene Rowe. *The Hired Farm Working Force of 1976.* AER-405. U.S. Dept. of Agr., Econ. Stat. Coop. Serv., July 1978.

(11) U.S. Department of Agriculture, Economics and Statistics Service. *Economic Indicators of the Farm Sector: Production and Efficiency Statistics, 1979.* SB-65. Feb. 1981.

(12) _____. *Farm Population Estimates for (specified year).* Issued annually.

(13) _____. *The Hired Farm Working Force of (specified year).* Issued periodically.

(14) U.S. Department of Commerce, Bureau of the Census. *Census of Agriculture, (specified year).* General Report. 1929-74.

(15) _____. "Income of the Farm-Related Population," *Census of Population: 1970.* Subject Reports PC(2)-8C. 1973.

(16) _____. "Educational Attainment in the United States: March 1977 and 1976," *Current Population Reports.* Series P-20, No. 314. Dec. 1977.

(17) _____. "Household and Family Characteristics: March 1976," *Current Population Reports.* Series P-20, No. 311. Aug. 1977.

(18) _____. "Money Income in 1975 of Families and Persons in the United States," *Current Population Reports.* Series P-60, No. 105. June 1977.

(19) _____. "Population Profile of the United States: 1976," *Current Population Reports.* Series P-20, No. 307, Apr. 1977.

(20) _____, and U.S. Department of Agriculture, Economic and Statistics Service. "Farm Population of the United States: (specified year)," *Current Population Reports.* Series P-27.

(21) U.S. Department of Labor, Bureau of Labor Statistics. "Multiple Jobholders, May 1976," *Special Labor Force Report.* No. 194. 1977.

(22) U.S. Department of the Treasury, Internal Revenue Service. "Statistics of Income, 1975: Business Income Tax Returns." No. 438. 1978.

Definitions and Explanations

Population Coverage. Estimates in this report are based on data tabulated from the March 1976 Current Population Survey of the Bureau of the Census. They relate to the civilian noninstitutional population of the United States and members of the Armed Forces living off-post or with their families on post.

Metropolitan/Nonmetropolitan Residence. The population residing in Standard Metropolitan Statistical Areas (SMSA's) constitutes the metropolitan population. The metropolitan population in this report is based on SMSA's as defined in the 1970 Population Census and does not include any subsequent additions or changes. For the 1970 Census, except in New England, an SMSA was defined as a county or group of contiguous counties which contains at least one city of 50,000 inhabitants or more, or "twin cities" with a combined population of at least 50,000. In addition to the county, or counties, containing such a city or cities, contiguous counties were included in an SMSA if, according to certain criteria, they were essentially metropolitan in character and were socially and economically integrated with the central county. In New England, SMSA's consist of towns and cities, rather than counties.

The nonmetropolitan population is the population that does not reside in SMSA's.

Geographic Regions. The two major regions of the United States for which data are presented represent groups of States as follows:

North and West—Alaska, Arizona, California, Colorado, Connecticut, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Maine, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Dakota, Ohio, Oregon, Pennsylvania, Rhode Island, South Dakota, Utah, Vermont, Washington, Wisconsin, Wyoming.

South—Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, West Virginia.

Income. For each person in the sample 14 years old and over, questions were asked on the amount of money income received in the preceding calendar year. The various sources for which income is reported are defined as follows:

Money wages or salary—Includes total money earnings received for work performed as an employee during the income year.

Net income from nonfarm self-employment—Includes net money income from one's own business, professional enterprise, or partnership.

Net income from farm self-employment—Includes net money income (gross receipts minus operating expenses) from the operation of a farm by a person on his/her own account, as an owner, renter, or sharecropper. Gross receipts include the value of all products sold, government crop loans, money received from the rental of farm equipment to others, and incidental receipts from the sale of wood, sand, gravel, etc. Operating expenses include cost of feed, fertilizer, seed, and other farming supplies, cash wages paid to farmhands, depreciation charges, cash rent, interest on farm mortgages, farm building repairs, farm taxes (not State and Federal income

taxes), etc. The value of fuel, food, or other farm products used for family living is not included as part of net income.

Social security income—Includes social security pensions and survivors' benefits, and permanent disability insurance payments made by the Social Security Administration prior to deductions for medical insurance and railroad retirement insurance checks from the U.S. Government. "Medicare" reimbursements are not included.

Supplemental Security Income—Includes payments made by Federal, State, and local welfare agencies to low-income persons who are (1) aged (65 years old or over), (2) blind, or (3) disabled.

Public assistance or welfare payments—Includes public assistance payments such as aid to families with dependent children and general assistance.

Dividends, interest, income from estates or trusts, net rental income or royalties—Includes dividends from stockholdings or membership in associations, interest on savings or bonds, periodic receipts from estates or trust funds, net income from rental of a house, store, or other property to others, receipts from boarders or lodgers, and net royalties.

Unemployment compensation, veterans' payments, or workers' compensation—Includes (1) unemployment compensation received from government unemployment insurance agencies or private companies during periods of unemployment and any strike benefits received from union funds, and (2) money paid periodically by the Veterans Administration to disabled members of the Armed Forces or to survivors of deceased veterans, subsistence allowances paid to veterans for education and on-the-job training, as well as so-called "refunds" paid as GI insurance premiums, and (3) workers' compensation received periodically from public or private insurance companies for injuries incurred at work. The cost of this insurance must have been paid by the employer and not by the person.

Private and government employee pensions—Includes (1) private pensions or retirement benefits paid to a retired person or his/her survivors by a former employer or by a union, either directly or through an insurance company, and (2) government employee pensions received from retirement pensions paid by Federal, State, county, or other governmental agencies to former employees (including members of the Armed Forces) or their survivors.

Receipts from the following sources were not included as income: (1) money received from the sale of property, such as stocks, bonds, a house, or a car (unless the person was engaged in the business of selling such property, in which case the net proceeds would be counted as income from self-employment); (2) withdrawals of bank deposits; (3) money borrowed; (4) tax refunds; (5) gifts; and (6) lump-sum inheritances or insurance payments.

Race. The population is divided into three groups on the basis of race: White, Black, and "other races." The last category includes Indians, Japanese, Chinese, and any other race except White and Black. Estimates for "other races" are included in estimates for total (all races) but are not shown separately.

Persons of Spanish Origin. Persons of Spanish origin were determined on the basis of a question that asked for self-identification of the person's origin or descent. This includes Mexicans, Puerto Ricans, Cubans, Central or South Americans, or some other Spanish origin. Persons of Spanish origin can be of any race.

Head of Family. One person in each family was designated as the head, usually the person regarded as the head by members of the family. Women were not classified as heads if their husbands were resident at the time of the survey.

Employed. Employed persons comprise (1) all civilians who, during the specified week, did any work at all as paid employees in their own business or profession, on their own farm, or who worked 15 hours or more as unpaid workers on a farm or in a business operated by a member of the family; and (2) all those who were not working but who had jobs or businesses from which they were temporarily absent because of illness, bad weather, vacation, labor-management dispute, or for personal reasons, whether or not they were paid by their employers for time off, and whether or not they were seeking other jobs.

Unemployed. Unemployed persons are those civilians who, during the survey week, had no employment but were available for work and (1) had engaged in any specific jobseeking activity *within the past 4 weeks;* (2) were waiting to be called back to a job from which they had been laid off; or (3) were waiting to report to a new wage or salary job within 30 days.

Labor Force. The civilian labor force is comprised of all persons classified as employed or unemployed.

Not in the Labor Force. All civilians 14 years old and over who are not classified as employed or unemployed are defined as not in the labor force.

Occupation and Industry. Data on occupation and industry refer to the job held longest during the income year. Persons employed at two or more jobs were reported in the job at which they worked the greatest number of hours. The following major occupation groups are defined as:

White-collar workers—Includes professional, technical, and kindred workers; managers and administrators, except farm; sales workers; and clerical and kindred workers.

Blue-collar workers—Includes craft and kindred workers; operatives, except transport; transport equipment operatives; and laborers, except farm.

Service workers—Includes service workers, excluding private households; and private household workers.

Rounding. Individual figures are rounded to the nearest thousand without being adjusted to group totals. Percentages are based on unrounded numbers and rounded to the nearest tenth of a percent.

*U.S. GOVERNMENT PRINTING OFFICE: 1981-0-340-912/ESS-172

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250

POSTAGE AND FEES PAID
U.S. DEPARTMENT OF
AGRICULTURE
AGR 101
THIRD CLASS

9657 RIOSBRERIA112 18082 0001
BR RIOS NEW MEXICO STATE UNI-
VERSITY ERIC CRESS
LAS CRUCES NM 88003

Economic Research Service

The Economic Research Service carries out research on the production and marketing of major agricultural commodities, foreign agriculture and trade; economic use, conservation, and development of natural resources; trends in rural population, employment, and housing; rural economic adjustment problems; and performance of the U.S. agricultural industry. ERS provides objective and timely economic information to farmers, farm organization members, farm suppliers, marketers, processors, consumers, and others who make production, marketing, and purchasing decisions, and to legislators and other public officials at the Federal, State, and local government levels.